

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA  
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

August 05, 2009

MOTOR CARRIER MATTER

☐

DOCKET NO.

2008-460-WS

UTILITIES MATTER

☒

ORDER NO.

**SUBJECT:**

DOCKET NO. 2008-460-WS - Application of Avondale Mills, Incorporated for Approval of a New Schedule of Rates and Charges for Water and Sewerage Services Provided to Customers in Aiken County, South Carolina - Discuss with the Commission a Request Filed by the Aiken County Legislative Delegation.

**COMMISSION ACTION:**

On June 18, 2009, we approved the first rate increase for Avondale Mills in 28 years. This is an unusual case. The Avondale water and sewer system was subsidized for many years by Avondale Mills, and customers received service at artificially low rates. When the mill closed, the system remained, but had to become self supporting.

Avondale was losing almost \$500,000 per year, and it was obvious to the Commission and the parties that the situation was not sustainable. Therefore, we reluctantly approved a rate increase that would make the company solvent so it could continue to provide water and sewer service to its customers.

We understood that this increase would be substantial. However, it appears to me that we did not fully appreciate the impact of the proposed rates given local water usage. The Commission has typically assumed household water consumption of 6,000 gallons per month to understand the impact of a rate increase. In this case, it now seems that some of Avondale's customers are using far more than 6,000 gallons per month.

I also agree with Sen. Massey, Rep. Smith, and Rep. Young that Avondale Mills' customers should have received advance notice of an increase of this magnitude. Therefore, I move that the Commission order the following:

- Avondale must immediately suspend any customer cutoffs or penalties due to failure to pay the most recent bill.
- The Commission appoints Jocelyn Boyd as a hearing officer in this matter, so that she may confer with the parties to gather more complete information about the impact of this bill on Avondale's customers.
- Avondale will provide the Commission and the parties with complete billing and consumption information for its customer accounts for the test year and the twelve months prior to the rate increase.
- Ms. Boyd, counsel for the Office of Regulatory Staff, and counsel for Avondale confer to see what measures may be possible to mitigate the effects of the rate increase on Avondale's customers and to ensure that they receive adequate notice.

I urge the parties to make every effort to find an equitable resolution to this matter. If they are unable to find a viable solution, the Commission may well have to proceed on its own, but it would be better in the long run for all involved if the parties can work together to solve this problem.

Finally, everyone understands that Avondale’s water and sewer rates are going up; we’re really just arguing about how much and how quickly at this point. I urge Avondale’s customers to look at their water usage patterns and implement conservation measures. They should check their systems for leaks, and consider installing separate meters for irrigation systems so that they are not paying unnecessary sewerage charges.

Amendment and clarification by Commissioner Mitchell:

I want to clarify two aspects of my motion:

- By suspending cut offs and penalties, I had intended that the Commission suspend Avondale’s recently adopted rates until further action by the Commission.
- I also want to be clear that parties are to report to the Commission on their discussion and proposed solutions at the Commission’s meeting next Wednesday.

PRESIDING: Fleming

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
MITCHELL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WRIGHT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)

RECORDED BY: J. Schmieding

